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UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

**Joint Application of UNITED AIR LINES, INC. and AIR CANADA
for approval of and Antitrust Immunity for
an Alliance Expansion Agreement
under 49 U.S.C. §§ 41308 and 41309
Docket OST-96-1434**

NOTICE GRANTING ACCESS TO DOCUMENTS

United Air Lines, Inc. and its regional commuter affiliates ("United"), and Air Canada and its regional affiliates have applied for approval and antitrust immunity under 49 U.S.C. §§ 41308 and 41309, for an Alliance Expansion Agreement ("the Alliance Agreement"),¹ whereby the Joint Applicants will plan and coordinate service over their respective route networks as if there had been an operational merger between the two airlines.

On June 26, 1997, we tentatively decided to grant approval of and antitrust immunity for the Alliance Agreement between United and Air Canada.² However, we tentatively found it appropriate to condition our approval and to require the applicants to submit certain supplemental information concerning the proposed "Star Alliance," among other matters.³

¹ The term "Alliance Expansion Agreement" includes the agreements between the Joint Applicants dated May 31, 1996 ("1996 agreement"), May 30, 1995 ("1995 agreement"), any implementing agreements which the applicants conclude pursuant to the 1996 agreement, and any other agreement or transaction by the applicants pursuant to the foregoing agreements. See Joint Application, footnote 1, and Exhibit JA-1.

² Order 97-6-30.

³ On May 14, 1997, the applicants and four other airlines announced the formation of the "Star Alliance," which is composed of United Airlines, Air Canada, Lufthansa German Airlines, Scandinavian Airlines System, Thai Airways International, and (in October 1997) Varig Brazilian Airlines. The Star Alliance participants have signed a non-binding memorandum of intent to coordinate many of their marketing and some of their operational activities on a worldwide basis. United and Air Canada had not filed any description of the proposed Star Alliance arrangements in this docket.

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On July 8, 1997, the applicants submitted certain documents and information regarding the proposed Star Alliance. Concurrently, the applicants filed a joint motion under 14 C.F.R. 302.39 of our regulations requesting confidential treatment for certain documents and information.⁴ The Joint Applicants maintain that the information contained in the documents is proprietary, commercially sensitive, and confidential in nature which qualifies for being withheld from public disclosure.

Consistent with our earlier actions in this case, the Joint Applicants request that access be limited to counsel and outside experts for interested parties under the Department's normal affidavit procedure.⁵ Moreover, the applicants state, to facilitate such access, they will make materials available for review during normal business hours at the offices of United's counsel, located at 1250 Connecticut Avenue, N.W., Suite 700, Washington, D.C., 202-637-9130.

We will rule on the merits of the Rule 39 Motion by subsequent order. In the meantime, in order to afford interested parties prompt access to this information under conditions agreed to by the Joint Applicants and imposed by the Department under similar recent circumstances,⁶ we will grant immediate interim access to these materials to counsel and outside experts for interested parties who file or who have previously filed appropriate affidavits with the Department in advance. Moreover, we find it appropriate to grant interim access to any subsequent materials filed in this docket under a Rule 39 Motion to counsel and outside experts for interested parties who file or who have previously filed appropriate affidavits with the Department in advance, unless the party filing the motion objects.

For all parties who have not previously filed appropriate affidavits with the Department in advance, we expect all affidavits to state, at a minimum, that (1) the affiant is counsel for an interested party or an outside independent expert providing services to such a party in this proceeding; (2) the affiant will use the information only for the purpose of participating in this proceeding; (3) the affiant will disclose such information only to other persons who have filed a valid affidavit in Docket OST 96-1434. Affiants and interested parties must understand and agree that any pleading or other filing that includes or discusses information contained in the covered documents must itself be accompanied by a Rule 39 motion requesting confidential treatment. Affidavits must be filed in Docket OST-96-1434 with the Department of Transportation, Dockets, Room PL-401, 400 Seventh Street, S.W., Washington, D.C., 20590.

⁴ We note that answers to the applicants' joint motion for confidential treatment for these materials are due July 17, 1997.

⁵ Order 96-7-16.

⁶ See Orders 97-3-42 and 96-3-26.

Affiants having filed affidavits may examine this material at the Department of Transportation at the Dockets location or at the offices of United's counsel, located at 1250 Connecticut Avenue, N.W., Suite 700, Washington, D.C., 202-637-9130. A stamped copy of the affidavit filed with the Department of Transportation must be presented prior to examination.

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation
and International Affairs

Dated: July 11, 1997

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<http://www.dot.gov/general/orders/aviation.html>*